

ADMINISTRATION AND FINANCE COMMITTEE

DATE: October 16, 2007

CALLED TO ORDER: 5:15 p.m.

ADJOURNED: 6:47 p.m.

ATTENDANCE

Attending Members

Joanne Sanders, Chair
Paul Bateman
Vernon Brown
Jackie Nytes
Lincoln Plowman

Absent Members

Lance Langsford
Lynn McWhirter

AGENDA

PROPOSAL NO. 268, 2007 - establishes the maximum tax rate that may be imposed for the City Cumulative Capital Development Fund
"Strike" Vote 4-0

PROPOSAL NO. 269, 2007 - establishes the maximum tax rate that may be imposed for the County Cumulative Development Fund
"Strike" Vote 4-0

PROPOSAL NO. 422, 2007 - transfers a total of \$50,000 between the 2007 Budgets of the Lawrence Township and Washington Township Assessors (County General and Property Reassessment Funds) to fix an error in Fiscal Ordinance No. 67, 2007 because appropriations were inadvertently transferred between the wrong funds
"Do Pass" Vote 5-0

PROPOSAL NO. 423, 2007 - appropriates \$155,400 in the 2007 Budgets of the County Assessor and the County Treasurer (County General and Property Reassessment Funds) to pay for expenses related to the state ordered property reassessment for the 2006 pay 2007 tax year
"Do Pass" Vote 5-0

PROPOSAL NO. 424, 2007 - transfers \$1,800 in the 2007 Budget of the Washington Township Assessor (County General Fund) to cover the need for additional paper and toner supplies that have resulted from unexpected price increases and usage
"Do Pass" Vote 5-0

PROPOSAL NO. 426, 2007 - amends the City's deferred compensation plan for Warren Township Civilian Personnel
"Do Pass" Vote 5-0

ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, October 16, 2007. Chair Joanne Sanders called the meeting to order at 5:15 p.m. with the following members present: Vernon Brown, Jackie Nytes, and Lincoln Plowman. Paul Bateman arrived shortly thereafter. Absent were Lance Langsford and Lynn McWhirter.

PROPOSAL NO. 268, 2007 - establishes the maximum tax rate that may be imposed for the City Cumulative Capital Development Fund

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Chair Sanders said that Proposal Nos. 268 and 269, 2007 were both passed out of Committee in June, 2007, prior to the development of the budget. However, neither of the proposals is needed since the budget was developed without the need for these changes.

Councillor Nytes moved, seconded by Councillor Brown, to "Strike" Proposal Nos. 268 and 269, 2007. The motion carried by a vote of 4-0.

PROPOSAL NO. 422, 2007 - transfers a total of \$50,000 between the 2007 Budgets of the Lawrence Township and Washington Township Assessors (County General and Property Reassessment Funds) to fix an error in Fiscal Ordinance No. 67, 2007 because appropriations were inadvertently transferred between the wrong funds

[Clerk's note: Councillor Bateman arrived at 5:18 p.m.]

Jeff Seidenstein, Budget Manager, Office of Finance and Management (OFM), said that this ordinance is necessary due to a clerical error in his office in preparation of the original proposal, Proposal No. 230, 2007, that was approved in July, 2007. He said that OFM was intending to transfer money from the Lawrence Township Reassessment Budget to the Washington Township Reassessment Budget, but unfortunately the proposal was drafted to remove the money from the County General Fund instead. Mr. Seidenstein said that Proposal No. 422, 2007 reverses the action that was taken on the original proposal and moves the money as originally intended. He said that these transactions come from Character 04 for the purpose of buying capital equipment that is paid out of the Washington Township Assessor's Budget on behalf of all of the township assessors. Mr. Seidenstein said that this could be considered a technical correction, but an ordinance was required because the original ordinance was incorrectly written.

Chair Sanders said that it is good that OFM recognized and corrected the problem. Councillor Nytes commented that this may be another reason to consider having only one County-wide Assessor's Office.

Councillor Nytes moved, seconded by Councillor Brown, to forward Proposal No. 422, 2007 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

PROPOSAL NO. 423, 2007 - appropriates \$155,400 in the 2007 Budgets of the County Assessor and the County Treasurer (County General and Property Reassessment Funds) to pay for expenses related to the state ordered property reassessment for the 2006 pay 2007 tax year

Greg Bowes, Marion County Assessor, said that he is asking the Council to add \$75,000 to the Assessor's budget for 2007 in response to the Department of Local Government Finance (DLGF) Reassessment order that requires the assessors to reassess all of the property in Marion County. He said

that his office has hired four very highly skilled and experienced assessing officials to help with the residential portion of the reassessments. Those officials are currently employed, but \$70,000 is needed to pay them for the remainder of the year. Mr. Bowes said that \$5,000 of the \$75,000 is in Character 04 due to necessary office renovations to accommodate the four new positions. Mr. Seidenstein added that the \$5,000 is actually a transfer from Characters 02 and 03, and therefore, only \$70,000 will come from the Fund Balance. Mr. Bowes said that he understands that the additional amount needed for the positions was originally much higher, but they are using salary savings from open positions that were available earlier in the year. Chair Sanders asked if the \$70,000 is coming out of the County General Fund. Mr. Bowes answered in the affirmative.

Councillor Bateman asked what the County Assessor's office is doing to help with the reassessments for commercial property since the additional four will be assessing residential property. Mr. Bowes answered that the County Assessor's office was ordered by the DLGF to hire a private contractor to do the commercial portion of the reassessments. However, the four new officials are managing that contract and supervising the vendor to ensure that the assessments are done correctly and on time. He said that, beneficially, two of the officials were recruited from the DLGF. Bob Clifford, City Controller, added that the cost of the contract with Manitron for the commercial reassessment will be paid in different increments based on deliverables, and the first reassessment will not happen until 2008.

Councillor Brown asked what will happen with the four positions once the reassessments have been completed. Mr. Bowes stated that it is anticipated that the positions will remain as permanent positions, because there is a place for the County Assessor to provide the skill that the officials possess that can be shared through training and supervising of the township assessing officials. He said that it is expected that once the reassessment is done, there will still be a need for the four officials to be involved, because there currently are not enough assessing employees that are capable of doing the more complex commercial properties. He said it is hoped that they would be available to take on the more difficult and complex assessments. Councillor Brown asked if the four positions are funded in the Assessor's 2008 budget. Mr. Bowes answered in the affirmative. Councillor Brown asked what would happen if the Assessor's offices are consolidated through legislation next year. Mr. Bowes answered that if a proposal comes out of the General Assembly suggesting that the township assessors should be consolidated into one county office, then it would be expected for some of those employees to be shifted to employees of the County Assessor.

Councillor Nytes asked if the appropriations that are being discussed were included in the 16-line statements for the County General Fund and the Property Reassessment Fund during the budget process. Mr. Seidenstein said that the reassessment would not appear on the 16-line statement because it is a transfer between characters, but the General Fund portion coming from Fund Balance was taken into consideration during the budget process. It was listed as appropriations for the second half.

Michael Rodman, Marion County Treasurer, said that the Treasurer's office would normally send out a mailing of the spring bill and the fall bill to all of the taxpayers who own property. He said that the Treasurer's office would sometimes send out additional mailings due to misplaced bills or corrections or additions to the bills. However, this year a complete mailing had to be sent to all taxpayers because of the Governor's order, which created an expense for the Treasurer's office. Mr. Rodman said that the postage expense for the bills that were mailed out on October 12 was \$105,000, which is a much higher expense than it would typically be. He said that the Governor's order has also created additional work for the Treasurer's office due to increased calls and responding to questions from the public, as the public is very confused about the order. Mr. Rodman said that the Governor's statement, in addition to the order that taxpayers pay the same property taxes as last year's amount, also mentioned that there

would be a reassessment and a third reconciling bill. He said that the Treasurer's office is spending a great deal of time, personnel-wise, trying to educate the public on what the third bill means and what reassessment may mean to the taxpayer. Unfortunately, people believe that the reassessment means that their assessment will go down. Mr. Rodman said that the Treasurer's office staff has to explain to people that the property will be examined, but the assessment could increase or decrease. He said that if all deadlines are met, a reconciling bill will be sent to taxpayers on April 14, 2008 that will be due April 30, 2008. These dates have been set by the Department of Local Government and Finance (DLGF). Mr. Rodman said that he hopes that the dates can be met. He said that the requested appropriation is to cover the expenses associated with this unusual situation.

Councillor Nytes complimented Mr. Rodman on a newsletter that she recently saw that was compiled by the Treasurer's office that was made available to people. She said that she felt that was helpful and those types of efforts are important in helping people to get some insight into what is actually happening.

Councillor Bateman moved, seconded by Councillor Brown, to forward Proposal No. 423, 2007 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

PROPOSAL NO. 424, 2007 - transfers \$1,800 in the 2007 Budget of the Washington Township Assessor (County General Fund) to cover the need for additional paper and toner supplies that have resulted from unexpected price increases and usage

Joline Ohmart, Washington Township Assessor, said that prices and usage have increased and there is a need to transfer funds from Character 03 to Character 02. Chair Sanders asked if this transfer will get the agency through the remainder of the year to the best of their calculations. Ms. Ohmart answered in the affirmative.

Councillor Nytes asked if supplies for the offices are bought on some sort of master contract. Mr. Clifford answered that their supplies go through purchasing, however, one of the number one complaints about the Character 02 budget for 2007, with regard to paper and printing costs, is that it is short.

Councillor Nytes moved, seconded by Councillor Brown, to forward Proposal No. 424, 2007 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

Councillor Nytes asked what type of calls and questions are being received from taxpayers. Ms. Ohmart answered that they are not receiving as many calls as when the Governor's order was first announced, however, calls are still coming in daily. She said that they are encouraging taxpayers to file an appeal if their original assessment is higher, as it also helps the Assessor's office know where the trouble spots are. Councillor Nytes asked if Ms. Ohmart feels that people have had a chance to get a better understanding about the assessments. Ms. Ohmart answered that she believes that more people understand that as long as their assessment is correct, it is all that the Assessor's office can do. Mary Lou Benell, Chief Deputy Assessor, added that she believes that most people are more upset about the tax rates. She said that they seem to be comprehending, but are waiting for the third bill to be sent out.

Chair Sanders stated for clarification that the third bill will not be sent out until April, 2008, and the bill that taxpayers will be receiving in the next few days will reflect their 2006 level for their November property tax payment.

PROPOSAL NO. 426, 2007 - amends the City's deferred compensation plan for Warren Township Civilian Personnel

Suzannah Wilson Overholt, Transition Director, Controller's Office, said that this proposal stems from the merger of the Warren Township Fire Department into the Indianapolis Fire Department (IFD). She said the Firefighter contract was negotiated in 2002, began in 2003, and just expired at the end of 2006. A term of that contract was that the Nationwide Deferred Compensation Plan was added for firefighters only. Part of the benefits structure that Warren Township had was the Nationwide Deferred Compensation Plan for both firefighters and civilian paramedics, so the City agreed with Local 416 that the City would amend the Nationwide plan to cover those civilian paramedics. Ordinances require that any plan amendments be approved by the Council. Ms. Overholt said that it will be up to the City County Administrative Board to deal with Nationwide in terms of the actual plan.

Chair Sanders asked if any additional costs are reflected for the City or if it is simply to give the employees an option. Ms. Overholt answered that it does not reflect any additional costs because the City does not make any contributions to the plan for the civilian paramedics.

Councillor Nytes asked if this is one of the last of the loose ends about this particular merger and about how far this is to being completed. Ms. Overholt answered that it is almost complete, but there is an outstanding bill for oxygen that can not be explained and needs to be resolved. Councillor Nytes asked how Ms. Overholt characterizes this merger with the Washington Township merger, and if the processes are better understood. Ms. Overholt said that she believes, from the City's point-of-view, that the Washington Township merger went smoothly given the fact that this type of merger had never been done anywhere before. She said that more time was spent ensuring that everyone received their paychecks on time. Ms. Overholt said that ensuring that firefighters were on the pieces of apparatus, responding to emergency runs went very smoothly through the merger. She said that the City walked out of the Washington Township merger understanding that all of the personnel issues were dealt with first so that those things were not being resolved at the end. Ms. Overholt said that those types of issues, along with operational issues were resolved head-on with the Warren Township merger. She said that she feels that the Warren Township merger went even smoother than the Washington Township merger. Additionally, the City feels that they are in a good position to assess issues, identify those issues, and resolve them so that they run seamlessly, from the public's perspective, of those who receive the services, as well as the firefighters and other employees that are involved in the merger. Councillor Nytes said that there has been a lot of talk about the savings that will occur from all the mergers, and she hopes that there will be an opportunity for the Council to see some type of analysis. Ms. Overholt said that the City is required by law to submit an audit to the legislature regarding both the police and fire mergers. That audit is due in March, 2008, and this will also be a very succinct way to look at the savings.

Councillor Brown said that Ms. Overholt did an excellent job working with the firefighters, the Local, and the fire department administration to work through the consolidation issues. He said that he was at a meeting in Warren Township a couple of weeks ago and some of the citizens did not realize that the merger occurred, because the name is still on the station and the same firefighters are responding to their homes for Emergency Management Services (EMS) runs. The only change is that more personnel are available, and Warren Township avoided a huge tax increase by being able to staff the fire stations and apparatus with fully-trained personnel. He said that the merger was a great benefit in Warren Township and he is sure that the citizens appreciate it.

Chair Sanders said that Councillor Brown brought up an interesting fact that. Many of the townships borrow money to get through a given budget year, which in turn costs taxpayers additional money. She said that she does not believe that the average person realizes that. That is currently happening in Perry Township and would have continued to happen in both Washington and Warren Townships. Chair Sanders said that she is glad that the merger in Warren was obviously seamless.

Ms. Overholt added that Washington Township was fortunate that they had never had to take out an emergency loan, but they acknowledge that they were approaching that threshold. She said that Warren Township was able to avoid a \$1.3 million emergency loan by merging this year. Chief Greeson and former Warren Chief Sanford worked very hard together and the Controller's Office worked very hard with the Trustee to come to terms and work out a transition and a merger that allowed IFD to continue operating and providing service in Warren Township at a level that those citizens deserve, while also making up for the \$1.3 million. Ms. Overholt said that taxpayers have essentially saved \$1.3 million. She said that this is considered an invisible savings, but it is an element that is a true benefit to taxpayers and city residents, as opposed to the Perry Township Fire Department need to take out a \$2.9 million loan this year.

Chair Sander called for public input:

Mike Reeves, Local 416, said that he represents the IFD employees that are affected by the amendment. He thanked Ms. Overholt for this assumed oversight on his part because if he had looked at the resolution that was introduced in 2003 for the firefighters he may have realized that this amendment needed to be done. There has been a lot of discussion and he appreciates the Mayor's Office and Ms. Overholt for stepping forward to make the changes. Mr. Reeves said that some of the members felt that they lost having this type of benefit. He said that Nationwide is not the issue, the issue is that the members wanted a second option. He said that a lot of things were said about the merger, and the firefighters also realize that there is not a noticeable difference. He said that he has spoken with many of the personnel from the old Washington Township and Warren Township fire departments and they are pleased because they are getting paid and they are doing the service. Mr. Reeves said that something was learned with each merger, and special needs will have to be addressed with each township as they are merged.

Councillor Brown moved, seconded by Councillor Bateman, to forward Proposal No. 426, 2007 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 5:47 p.m.

Respectfully submitted,

Joanne Sanders, Chair
Administration and Finance Committee